



PRESS RELEASE

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FOUNTAIN HILLS MAN PLEADS GUILTY TO FRAUD OF ELDERLY

PHOENIX -- The U.S. Attorney's Office for the District of Arizona announced that on September 13, 2004, Robert Roy Dillie, DOB 5/15/55, of Fountain Hills, Ariz., pleaded guilty to three felony offenses in federal district court in Phoenix. Dillie pleaded guilty to Wire Fraud, Money Laundering Involving the Concealment of Proceeds from Fraudulent Activities and Money Laundering Involving a Transaction in Property Derived from Fraudulent Activities.

Dille had been charged with 20 counts of Wire Fraud, in violation of Title 18 of U.S. Code, Section 1343; 35 counts of Money Laundering Involving the Concealment of Proceeds of Fraudulent Activities, in violation of Title 18, U.S. Code, Section 1956(a)(1)(B)(i); 79 counts of Money Laundering Involving the Promotion of Fraudulent Activities, in violation of Title 18, U.S. Code, Section 1956(a)(1)(A)(i); and 59 counts of Money Laundering Involving the Proceeds of Fraudulent Activities, in violation of Title 18, U.S. Code, Section 1957.

The indictment alleged that as the head of the Mid-America Foundation (MAF), Dillie diverted cash, securities and other assets to his own personal use that MAF raised from elderly investors through the sale of charitable gift annuities. Dillie, through MAF, falsely promised

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investors that MAF would pay them an annuity, safeguard their investments and, upon their death, transfer the remainder of their investment to a charity of their choice. Instead, Dillie diverted over \$19 million of the \$52.9 million raised through the sale of the annuities into an account he controlled. From this account, Dillie gambled away at least \$10 million at casinos in Las Vegas, spent \$595,000 toward the purchase of a \$1.5 million house, bought a Mercedes Benz for over \$50,000 and made checks payable to himself for \$619,000. Investors have lost approximately \$44 million.

A conviction for Money Laundering Involving the Concealment of Proceeds from Fraudulent Activities has a maximum penalty of 20 years in prison, a fine of \$500,000 or twice the gain to the defendant or loss to the victims – whichever is greater or both. A conviction for Money Laundering Involving a Transaction in Property Derived from Fraudulent Activities has a maximum penalty of ten years in prison, a fine of \$250,000 or twice the gain to the defendant or loss to the victims – whichever is greater or both. A conviction for Wire Fraud has a maximum penalty of five years in prison, a fine of \$250,000 or twice the gain to the defendant or loss to the victims – whichever is greater or both.

Sentencing is set before Judge David Campbell on January 10, 2005.

The investigation in this case was conducted by the Arizona Corporation Commission and Special Agents of the U.S. Postal Inspection Service and the Criminal Investigation Section of the Internal Revenue Service.

The prosecution is being handled by David Eisenberg, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-03-115-PHX-DGC

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